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SB-9

SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS
AND FIELD PERSONNEL

SPECIAL ISSUE

ON

EMPLOYEE BENEFITS

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This document is part of an integrated
file. If separated from the file it must be
subjected to individual systematic review.

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INTRODUCTION

In this special edition of the Support Bulletin we have set forth in laymen's terms the financial benefits that are available to our employees including those which derive from Government employment and those which are unique to the Organization.

We hope this outline will be helpful to you in planning your personal financial affairs. It should merit the particular attention of those of you who are the head of a household and who must provide for the future welfare of your family.

Sound personal financial planning depends in large measure on your ability to look well ahead in making provisions for periods of sickness and the possibility of untimely death, the education of children, the acquisition of property, and the financing of a comfortable retirement. It is our accepted responsibility to develop a positive program of benefits and to assist you in making the best use of your opportunities. It is this latter aspect of our program which we especially emphasize in this issue of the Support Bulletin. The benefits described herein are not new, but the ways in which they can be applied to meet your various requirements have never before been presented in integrated form.

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As a new service, the Benefits and Casualty Division will, at your request, establish and maintain a personal file in which may be placed or recorded data and records of a personal and financial nature. This file will be helpful to you in your planning and will facilitate the eventual establishment of retirement rights, claims under the various insurance protection programs, and the settlement of your estate in the event of death.

HOW TO DRAW UP YOUR OWN
BALANCE SHEET

Whether or not you choose to develop a personal file, it is important that you and your wife draw up a balance sheet of your financial situation as it is today and as it will be in the future. Such a balance sheet should reflect your financial requirements and the resources at your disposal to meet them.

In reviewing your situation and making your forecast, your first assumption will be that your earning power will continue until you retire. Under this assumption, the average employee has two problems: First, how to plan for the expensive years when educational, mortgage, and living standard costs are high; second, how to be in a position to retire.

The need for such planning has been strikingly illustrated during past years. Personnel returning from overseas have discovered that the establishment of a household and the maintenance of a comfortable standard of living require some capital investment. Those who have saved during their early years of employment and during overseas tours are able to meet these requirements handily. Others have suddenly found themselves faced with a heavy, long-term debt load and sometimes a standard of living well below that enjoyed by the average Government employee drawing the same salary.

Similarly, some of you are in a position to "live it up" after you retire and are in such a position as a result of careful planning. Unfortunately, there are others of you who must plan to pay debts and mortgages from reduced (retirement) income and to whom retirement will mean an abrupt end to many of the pleasures you now enjoy.

Your second assumption will take into account the possibility of illness or untimely death. Again, if you have children, your planning should include, on a reduced scale, provision for the "expensive years," not just subsistence. Vitally important programs are sponsored to meet all contingencies under this assumption.

Naturally any balance sheet will be drawn to operate in your interest under either assumption. No one can tell you exactly how to weight your own plan. Knowledge of your rights under the law and of your opportunities to save and protect yourself should, however, influence your planning and may make possible things that today appear to be out of reach.

These rights and opportunities are set forth schematically in charts 1 and 2.

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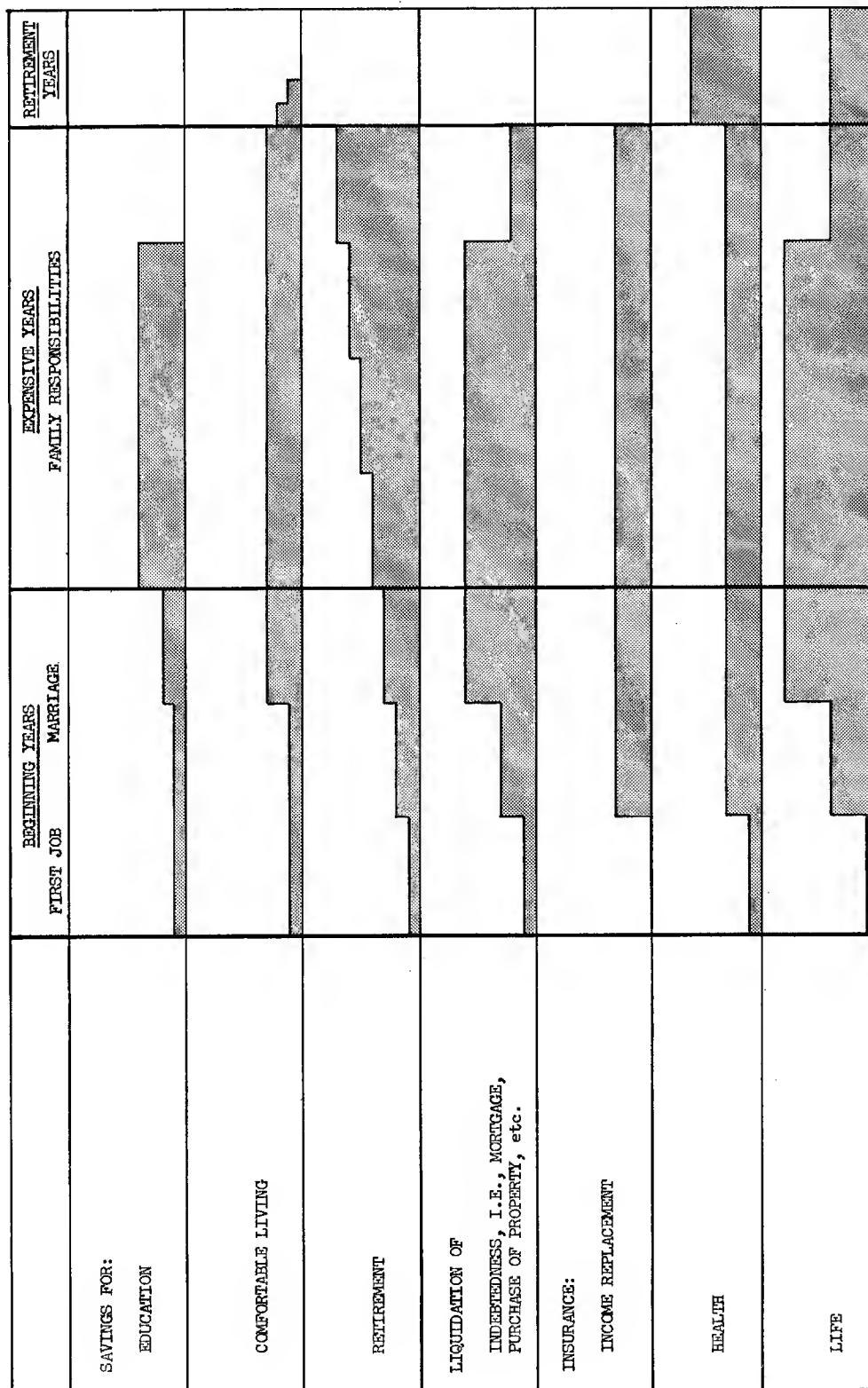
YOUR FINANCIAL REQUIREMENTS

GOVERNMENT AND ORGANIZATION SPOOLED PROGRAMS	SHORT TERM SAVINGS	LONG TERM SAVINGS	HOSPITALIZATION	INCOME REPLACEMENT FOR ILLNESS AND DISABILITY	RETIREMENT	LIFE INSURANCE AND OTHER INSURANCE TYPE ASSETS	COSTS INCIDENT TO DEATH AND BURIAL
CIVIL SERVICE RETIREMENT ^{1/}	REFUND OF WITHHOLDINGS ON SEPARATION FROM GOVERNMENT	REFUND OF WITHHOLDINGS ON SEPARATION FROM GOVERNMENT		IF MINIMUM OF FIVE YEARS CIVILIAN SERVICE HAS BEEN ESTABLISHED GUARANTEED MINIMUM ANNUITY FOR LONG-TERM DISABILITY	LIFE ANNUITY BASED ON YEARS OF SERVICE AND "HIGH FIVE SALARY"	ANNUITY TO WIDOW AND ELIGIBLE CHILDREN	
FEDERAL EMPLOYEES COMPENSATION ACT JOB CONNECTED ILLNESS, INJURY OR DEATH			FULL HOSPITAL AND MEDICAL CARE	PERCENTAGE OF SALARY	PERCENTAGE OF SALARY DURING DISABILITY EVEN FOR LIFE	PERCENTAGE OF SALARY TO WIDOW AND ELIGIBLE CHILDREN	FOUR HUNDRED DOLLARS FOR BURIAL EXPENSES AND RETURN OF BODY IF OVERSEAS
ORGANIZATION MEDICAL PROGRAM FOR DEPENDENTS 5(a)(5)(A)-5(a)(5)(C)			HOSPITALIZATION AND MEDICAL EXPENSES WHILE OVERSEAS PCS & TRAVEL TO SPOUSE MEDICAL CARE	PERCENTAGE OF SALARY			
ORGANIZATION MEDICAL PROGRAM FOR DEPENDENTS			HOSPITALIZATION AND MEDICAL EXPENSES WHILE OVERSEAS PCS & TRAVEL TO SPOUSE MEDICAL CARE				
DEATH OVERSEAS 5(a)(6)							RETURN OF BODY (EMPLOYEE & DEPENDENTS) TO U.S. INITIAL PREPARATION OF BODY AND CASKET
SICK LEAVE				SALARY CONTINUED DURING ILLNESS			
ANNUAL LEAVE		LUMP SUM PAYMENT OF CELLING ON SEPARATION		SALARY CONTINUED DURING ILLNESS ON EXPIRATION OF SICK LEAVE	LUMP SUM OF CELLING PAYABLE AT RETIREMENT	LUMP SUM OF ACCRUED LEAVE PAYABLE TO BENEFICIARY	
FEDERAL EMPLOYEES GROUP LIFE INSURANCE				AWARDS FOR DISMEMBERMENT	FREE INSURANCE IF RETIRING FOR DISABILITY OR ON IMMEDIATE ANNUITY WITH 15 YEARS OF SERVICE 1/2	FACE VALUE OR DOUBLE INDUSTRY FOR ACCIDENTAL DEATH	
SAVINGS BONDS		MATURE IN EIGHT YEARS SEVEN MONTHS		MAY BE CASHED IF NECESSARY	ANNUITY RETIREMENT INCOME	PROVIDE INCOME TO WIDOW AND CHILDREN	
CREDIT UNION	CASH FROM DEPOSITS AVAILABLE UPON REQUEST	DIVIDENDS FROM DEPOSITS		MAY BE USED IF NECESSARY	MAY ANNUITY RETIREMENT INCOME	MAY PROVIDE INCOME TO WIDOW AND CHILDREN	
VETERANS' BENEFITS			MILITARY SERVICE CONNECTED DISABILITY AND NON-SERVICE CONNECTED SERVICE ON SPACE AVAILABLE BASIS		PENSIONS TO WIDOW AND CHILDREN 1/2	ONE HUNDRED AND FIFTY DOLLARS BURIAL ALLOWANCE AND BURIAL IN NATIONAL CEMETERY	
MILITARY RETIREMENT					LIFE ANNUITY BASED ON SERVICE	ANNUITY TO WIDOW AND ELIGIBLE CHILDREN	
SOCIAL SECURITY				PAYABLE AT AGE 50 IF FULLY AND CURRENTLY INSURED	IF FULLY INSURED AND RETIRED AT AGE 65 (FEMALE MAY RETIRE AT AGE 62 WITH REDUCED BENEFIT)	LUMP SUM UP TO TWO HUNDRED AND FIFTY-FIVE DOLLARS IF CURRENTLY OR FULLY INSURED	
GEHA PROGRAMS: PUBLIC & MARFA LIFE INSURANCE						PROVIDE LUMP SUM OR ANNUITY PAYMENTS PER BENEFICIARY	
HOSPITALIZATION 1/2			ALL EMPLOYEES WHO SUBSCRIBE SPECIFIED SURGICAL AND MEDICAL BENEFITS				
INCOME REPLACEMENT (PREPARED RISKS ONLY)			LIMITED MEDICAL EXPENSES	WEEKLY INCOME 10 YEARS FOR ILLNESS; LIFE FOR ACCIDENT	PAYABLE FOR LIFE IF TOTAL DISABILITY FROM INJURY		
TRAVEL AND AIR FLIGHT PLANS			LIMITED MEDICAL EXPENSES	MAY PROVIDE DISMEMBERMENT BENEFITS		PROVIDE LUMP SUM OR ANNUITY PAYMENTS PER BENEFICIARY	
SPECIFIED DISEASES			MEDICAL EXPENSES AND SPECIAL EQUIPMENT				

^{1/} If widow or children are entitled to FEBA and retirement death benefits, they must elect which benefit to receive. If FEBA benefits are elected, lump sum payment of retirement withholdings will be made to beneficiary.
^{2/} Dual payment will not be made.
^{3/} Retirement automatically qualifies for new FEGLI Insurance. Persons who otherwise qualify, receiving an immediate annuity, must have at least 15 years of service to qualify for free FEGLI. In all cases where free FEGLI is received the face value beginning at 65 is reduced 2% a month from the face value.
^{4/} If death is from a service connected disability, widow and children receive a pension. If death is from a non-service connected disability, pension is payable to widow with no minor children if her income is less than one thousand four hundred dollars. If there are minor children, the limitation on income is two thousand seven hundred dollars.

CHART 1

ANTICIPATED FINANCIAL NEEDS AND EXPENDITURES



The chart above attempts to demonstrate for employees certain needs and expenditures they may face as they progress through various stages of life. The chart is not intended to be all encompassing; neither does it try to show what percentage of income will be affected. We merely hope to alert readers that they should think now about financial planning so as to intelligently and adequately prepare for their expensive years and for a relaxed, care-free retirement.

CHART 2

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**PRACTICAL ILLUSTRATIONS OF
FINANCIAL PLANNING**

Set forth below are an actual estate and planning program of an Organization employee earning slightly more than 12,000 dollars annually and suggested programs for incomes of 7,500 dollars and 5,500 dollars. In these three illustrations, it is assumed that the employee is survived by a widow and two minor children. The actual and suggested programs are built on those plans available to you. No outside income, insurance, or sources of investment have been included, although you may develop similar programs from outside sources.

**PROGRAM I—ANNUAL INCOME SLIGHTLY
MORE THAN 12,000 DOLLARS**

	YEARLY COSTS (DOLLARS)	FACE VALUE
FEGLI Insurance	84.50	13,000.00
GEHA Insurance		
UBLIC	109.80	15,000.00
WAEPA	125.00	15,000.00
Income Replacement	120.80	
Hospitalization	88.80	
Nine Dread Diseases	10.00	
Credit Union Savings	600.00	
50 dollars per month *		
Civil Service Retirement	780.00	
Total	1,918.90	

* Many employees use the Savings Bond payroll deduction plan for this purpose.

BENEFITS

Now, what does the employee or his family get under varying circumstances? We will assume the following:

Employee Age — 47
Government Service — 15 years
Program in effect — 7 years

EMPLOYEE DIES NATURAL DEATH

Widow Receives: Dollars
FEGLI 13,000.00
UBLIC 15,000.00
WAEPA 15,000.00
Credit Union 4,200.00 plus dividends
Civil Service An- 2,775.00 annual annuity
nuity to Widow
and 2 children

**EMPLOYEE KILLED ACCIDENTALLY NOT IN PER-
FORMANCE OF DUTY**

Widow Receives: Dollars
FEGLI 26,000.00
UBLIC 30,000.00
WAEPA 40,000.00
Credit Union 4,200.00 plus dividends
Civil Service An- 2,775.00 annual annuity
nuity to Widow
and 2 children

**EMPLOYEE KILLED ACCIDENTALLY IN PERFORM-
ANCE OF DUTY**

Widow Receives: Dollars
FEGLI 26,000.00
UBLIC 30,000.00
WAEPA 40,000.00
Credit Union 4,200.00 plus dividends
Civil Service Refund of deductions
Retirement plus interest
FECA 525.00 per month tax
free

**EMPLOYEE OR DEPENDENTS HOSPITALIZED IN
UNITED STATES — NOT JOB CONNECTED**

Hospitalization Insurance pays 13 dollars and 50 cents per day up to 90 days and 202 dollars and 50 cents for hospital extras plus 75 percent of balance up to 5,000 dollars. Also surgeons' fees per contract schedule.

If employee is ill more than 30 days he receives, beginning with the 31st day, 100 dollars per week for period of incapacity up to 10 years if incapacity is due to illness, and for life if due to accident.

Should you or your family be stricken by one of the nine dread diseases you can have

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up to 10,000 dollars worth of coverage for each incidence of each such disease in addition to the above.

EMPLOYEE RETIRES AT AGE 62

a. FEGLI Insurance continues without further premium payments but is reduced, beginning at age 65, to 25 percent of original coverage;

b. UBLIC and WAEPA Insurance can be converted without physical examination but premiums are standard rates;

c. Credit Union principal would be 13,200 dollars plus dividends;

d. Civil Service Retirement Annuity with survivor benefits would be 6,255 dollars annually;

e. Present hospitalization policy can be maintained directly with underwriter at 25 percent increase in premium.

PROGRAM II—ANNUAL INCOME OF 7,500 DOLLARS

	YEARLY COSTS (DOLLARS)	FACE VALUE
FEGLI Insurance	52.00	8,000.00
GEHA Insurance		
UBLIC	65.88	9,000.00
Income Replacement	90.60	
Hospitalization	88.80	
Nine Dread Diseases	10.00	
Credit Union Savings	300.00	
25 dollars per month *		
Civil Service	487.50	
Retirement		
Total	1,094.78	

* Many employees use the Savings Bond payroll deduction plan for this purpose.

BENEFITS

Now, what does the employee or his family get under the varying circumstances? We will assume the following:

Employee Age — 40

Government Service — 15 years

Program in effect — 7 years

EMPLOYEE DIES NATURAL DEATH

Widow Receives:	Dollars
FEGLI	8,000.00
UBLIC	9,000.00
Credit Union	2,100.00 plus dividends
Civil Service An-	Approximately 2,184 dol-
nuity to Widow	lars annual annuity
and 2 children	

EMPLOYEE KILLED ACCIDENTALLY NOT IN PERFORMANCE OF DUTY

Widow Receives:	Dollars
FEGLI	16,000.00
UBLIC	18,000.00
Credit Union	2,100.00 plus dividends
Civil Service An-	2,184.00 annual annuity
nuity to Widow	
and 2 children	

EMPLOYEE KILLED ACCIDENTALLY IN PERFORMANCE OF DUTY

Widow Receives:	Dollars
FEGLI	16,000.00
UBLIC	18,000.00
Credit Union	2,100.00 plus dividends
Civil Service	Refund of deductions
Retirement	plus interest
FECA	437.50 per month tax
	free

EMPLOYEE OR DEPENDENTS HOSPITALIZED IN UNITED STATES — NOT JOB CONNECTED

Hospitalization Insurance pays 13 dollars and 50 cents per day up to 90 days and 202 dollars and 50 cents for hospital extras plus 75 percent of balance up to 5,000 dollars. Also surgeons' fees per contract schedule.

If employee is ill more than 30 days he receives, beginning with the 31st day, 75 dollars per week for period of incapacity up to ten years if incapacity is due to illness, and for life if due to accident.

Should you or your family be stricken by one of the nine dread diseases you can have up to 10,000 dollars worth of coverage for each incidence of each such disease in addition to the above.

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EMPLOYEE RETIRES AT AGE 62

a. FEGLI Insurance continues without further premium payments but is reduced, beginning at age 65, to 25 percent of original coverage;

b. UBLIC Insurance can be converted without physical examination but premiums are standard rates;

c. Credit Union principal would be 8,700 dollars plus dividends;

d. Civil Service Retirement Annuity with survivor benefits would be 4,920 dollars annually;

e. Present hospitalization policy can be maintained directly with underwriter at 25 percent increase in premium.

PROGRAM III—ANNUAL INCOME OF 5,500 DOLLARS

	YEARLY COSTS (DOLLARS)	FACE VALUE
FEGLI Insurance	39.00	6,000.00
GEHA Insurance		
UBLIC	43.92	6,000.00
Income Replacement	60.40	
Hospitalization	88.80	
Nine Dread Diseases	10.00	
Credit Union Savings	120.00	
10 dollars per month *		
Civil Service	357.50	
Retirement		
Total	719.62	

* Many employees use the Savings Bond payroll deduction plan for this purpose.

NOTE: WAEPA Insurance is omitted from Program III since it is felt that employee's salary normally would not justify carrying more than the amount of insurance listed above. WAEPA would, of course, be available to the employee.

BENEFITS

Now, what does the employee or his family get under varying circumstances? We will assume the following:

Employee Age — 30

Government Service — 6 years

Program in effect — 2 years

EMPLOYEE DIES NATURAL DEATH

Widow Receives:	Dollars
FEGLI	6,000.00
UBLIC	6,000.00
Credit Union	240.00 plus dividends
Civil Service An-	1,454.00 annual annuity
nunity to Widow	
and 2 children	

EMPLOYEE KILLED ACCIDENTALLY ^{NOT} IN PERFORMANCE OF DUTY

Widow Receives:	Dollars
FEGLI	12,000.00
UBLIC	12,000.00
Credit Union	240.00 plus dividends
Civil Service An-	1,454.00 annual annuity
nunity to Widow	
and 2 children	

EMPLOYEE KILLED ACCIDENTALLY IN PERFORMANCE OF DUTY

Widow Receives:	Dollars
FEGLI	12,000.00
UBLIC	12,000.00
Credit Union	240.00 plus dividends
Civil Service An-	Refund of deductions
nunity to Widow	plus interest
and 2 children	
FECA	320.83 per month tax free

EMPLOYEE OR DEPENDENTS HOSPITALIZED IN UNITED STATES — NOT JOB CONNECTED

Hospitalization Insurance pays 13 dollars and 50 cents per day up to 90 days and 202 dollars and 50 cents for hospital extras plus 75 percent of balance up to 5,000 dollars. Also surgeons' fees per contract schedule.

If employee is ill more than 30 days he receives, beginning with the 31st day, 50 dollars per week for period of incapacity up to ten years if incapacity due to illness, and for life if due to accident.

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Should you or your family be stricken by one of the nine dread diseases you have up to 10,000 dollars worth of coverage for each incidence of each such disease in addition to the above.

EMPLOYEE RETIRES AT AGE 62

a. FEGLI Insurance continues without further premium payments but is reduced, beginning at age 65, to 25 percent of original coverage;

b. UBLIC Insurance can be converted without physical examination but premiums are standard rates;

c. Credit Union principal would be 4,080 dollars plus dividends;

d. Civil Service Retirement Annuity with survivor benefits would be 3,756 dollars annually;

e. Present hospitalization policy can be maintained directly with underwriter at 25 percent increase in premium.

The three programs illustrated above provide immediate protection to cover sudden death and unexpected misfortunes to yourself and to your family. One of the term insurance policies can be used in lieu of mortgage insurance on your home. The savings account will help to provide for the children's educa-

tion or temporary emergencies. Your retirement annuity should provide a reasonable living when you retire.

How are your affairs? Review the list below to see if changes are needed in your present program.

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ASSETS

ADEQUATE

NOT ADEQUATE

Average Bank Account

Savings Account

Savings Bonds

Stocks and Bonds

Other Savings

Equity in Home

Life Insurance

Health Insurance

Retirement Income

Education Fund

LIABILITIES

Debts (Monthly Payments on Car, Furniture, etc.)

USEFUL INFORMATION

In this section we have provided information which may be useful in your review of your personal and financial affairs.

STATUTORY AND ORGANIZATION BENEFITS

You are entitled to certain benefits as a result of your Government employment. Other benefits are unique to Organization employment, including the insurance plans offered by the Government Employees' Health Association (GEHA).

STATUTORY BENEFITS

Federal Employees' Compensation Act

Government employees are eligible for benefits under this Act for injuries or illnesses incurred in the performance of duty, i.e., illness or injury proximately caused or materially aggravated by the performance of officially assigned duties. The coverage of the Act extends to Federal employment any place in the world.

Among the benefits provided by FECA are full hospital and related care, compensation for loss of wages (in lieu of the use of sick and annual leave), compensation for permanent disability, and compensation to certain named survivors in case of your death.

Civil Service Retirement Act

You may retire at any of the following ages provided you have the indicated minimum years of Federal service:

<u>Earliest Age</u>	<u>Minimum Years of Service</u>	<u>Remarks</u>
62	5	
60	30	
55	30	Annuity reduced for age.
50	20	Must be involuntarily separated; annuity reduced if under age 60.
any	25	Must be involuntarily separated; annuity reduced if under age 60.
any	5	Must be totally disabled.

Civil-service retirement will provide an annuity for your widow and children if you should die while in Federal service provided you have at least five years of civilian service. Your widow will receive 50 percent of an annuity based on your "high-five" average salary and years of service. In addition, each child will receive an annuity of 40 percent of the employee's "high-five" average salary divided by the number of children. However, annuity to any one child is limited to 600 dollars a year, and the total to all children cannot exceed 1,800 dollars a year.

The Civil Service Annuity Chart (see inside of back cover) offers a quick method of computing annuities up to 5,000 dollars per annum.

Social Security

Employees are generally covered by the Civil Service Retirement Act. Some may be covered by Social Security. Social-security deductions represent a tax of 2¼ percent on earnings. The employer pays an equal amount. The maximum taxable earnings are 4,200 dollars a year and minimum taxable earnings for a quarter are 50 dollars.

Generally a maximum credit of 40 quarters qualifies an individual for retirement benefits at age 65. Women may retire at age 62 with reduced benefits. A widow with children under age 18 may be entitled to benefits if the husband earned 6 creditable quarters out of the 13 quarters preceding his death. Disabled workers may qualify for benefits under certain conditions.

Federal Employees' Group Life Insurance

FEGLI is term insurance sponsored by the Federal Government that has no cash, loan, paid-up, or extended insurance values. Employees are automatically covered unless they elect to waive the insurance. During employment, FEGLI provides life insurance, accidental death and dismemberment benefits. The amount of this insurance equals your current annual salary if a multiple of 1,000 dollars or the next higher 1,000 dollars. Your premium payment is 25 cents for each 1,000

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dollars and is automatically deducted from your pay check for each biweekly pay period. The Government contributes half as much as you.

Overseas Medical Benefit Programs

Staff personnel on PCS assignments outside our country, its Territories and possessions may be reimbursed for hospital and related medical expenses. If you are overseas on temporary duty you are excluded. The program covers only those injuries which require or normally would require hospitalization and which are not the result of vicious habits, intemperance, or misconduct. Expenses for maternity, elective and cosmetic surgery, and ordinary dental care are excluded.

Eligible overseas employees may also be reimbursed for expenses incurred by dependents under the same circumstances as related above, for injuries or illnesses, incurred while the dependent is located abroad, which require hospitalization. Dependents are covered for the cost of treatment which exceeds 35 dollars up to a maximum of 120 days of treatment. This maximum limitation may be waived when the dependent's condition clearly was caused by being located abroad.

ORGANIZATION BENEFITS

GEHA Plans

Special Income Replacement Plan

This plan provides for the payment of up to 100 dollars a week for periods of disability. Payment begins with the 31st day of such disability and may continue for as long as 10 years if the cause is illness, and for life if the disability is the result of accident. This benefit is paid in addition to other benefits you may have.

Hospitalization and Surgical Benefits Plan

This plan provides for the cost of a private room, up to 13 dollars and 50 cents a day for 90 days in any hospital. This plan also allows for payment up to 202 dollars and 50 cents plus 75 percent of the covered hospital extras up to 5,000 dollars of benefits.

WAEPA and UBLIC Life Insurance Plans

These are two term insurance plans which include payment of accidental death benefits under certain circumstances.

Specified (Dread) Diseases Policy

This policy covers polio, leukemia, scarlet fever, diphtheria, smallpox, spinal or cerebral meningitis, encephalitis, tetanus, and rabies.

Travel Plans

"Travel-matic," "Air Flight Trip Insurance," and "Flite-Plan" are available to travelers.

NOTE: For details on the above insurance plans, consult GEHA's booklet entitled, "Your Health and Life Insurance Program."

Mortgage Insurance

GEHA's term insurance may also fulfill another of your needs — payment of your mortgage.

GEHA's UBLIC and WAEPA policies are ideal for taking care of that mortgage redemption problem facing your family. How can this be done? Take two examples: You purchase a home with a trust of 20,000 to 28,000 dollars. Purchase a WAEPA policy in the amount of 15,000 dollars and a UBLIC for the same amount and your mortgage is taken care of, should you die before your debt is liquidated. As you reduce the size of your debt, you can elect to reduce your insurance or retain the full amount and provide, in addition to payment of the debt, additional income for your family. The cost of the protection afforded in this example is surprisingly low:

	<u>Dollars</u>
WAEPA — Under	
41 years of age —	8.33 monthly
UBLIC — Any age —	9.15 monthly
Total	17.48 monthly

Assume that your debt from purchasing a home is 10,000 to 15,000 dollars. UBLIC provides policies in the amount of 9,000 dollars (5 dollars and 49 cents monthly cost), 12,000 dollars (7 dollars and 32 cents monthly cost), or 15,000 dollars (9 dollars and 15 cents monthly cost).

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One difference between using GEHA's term insurance for mortgage protection and the type purchased from outside companies is that these companies provide a term contract which reduces each year during the mortgage period and eventually becomes a small paid-up policy. The cost of this outside insurance is higher than GEHA's term insurance. For example, an available contract covering a 10,000-dollar mortgage, with a paid-up policy at the end of a 20-year mortgage period, costs 128 dollars annually. The same 10,000-dollar mortgage would be covered by UBLIC at a cost of 73 dollars and 20 cents annually.

Of course, if you need this mortgage protection in addition to the full-term protection provided by WAEPA and UBLIC, you will have to consult your private insurance agent.

Savings

Two easy and painless ways to save are available to our employees. One is by regular and periodic deposits to our Credit Union; if you are overseas, a direct payroll deduction can be authorized for this purpose. The Credit Union pays dividends or interest based on its earnings for each year. Last year a dividend of 4½ percent was paid.

Another way is by authorizing your bank to regularly deduct from your checking account an amount for the purchase of Savings Bonds. This can be accomplished by a simple letter to your bank.

Regular savings are encouraged as a way to meet future needs, such as the purchase of a home and education of children, and to provide for unforeseen emergencies against which you are not already protected.

DO I NEED A WILL?

This question should be asked by each employee. The answer will depend on the specific circumstances of each case. Keep one thing in mind, however; the *size* of your estate may not necessarily be the controlling factor in your decision. Wills are not intended for only those men with large estates. A man with a small or medium-sized estate

may also require a will. On the other hand, your estate may be of such a nature that full settlement of your affairs can be accomplished without a will. For example, an employee can designate beneficiaries to receive payments of FEGLI, lump-sum retirement, unpaid compensation, and GEHA life insurance. At the same time, he can hold his Credit Union account, bank accounts, savings bonds, and securities jointly with his wife or other intended beneficiary. (NOTE: It is wise to seek legal advice on joint ownership since there are many legal technicalities involved which might have a bearing on which assets should be of a joint ownership nature.) Upon the employee's death, these various benefits will pass to the designated beneficiary or joint owner without any probate proceedings.

The employee may desire to distribute his estate in a manner which is more flexible and which would anticipate certain difficulties, e.g., guardianship problems, or simultaneous death of a family group in a common disaster. In such cases, the estate owner should have a will.

BURIAL IN NATIONAL CEMETERIES

Burial in a national cemetery to most people means burial at Arlington. There are, however, national cemeteries in almost every State as well as in the Territories. You might be interested in knowing the requirements for burial at these locations.

Any member of the Armed Forces dying in active service or former member whose last active service terminated honorably is eligible for burial in a national cemetery in which grave space is available. If the spouse of an eligible service member should die first, he or she may be buried in a national cemetery provided the service member submits a statement that, upon his or her death, he or she will be buried in the same or adjoining grave. Upon the submission of a similar certification, minor children of the service member may also be buried in a national cemetery, but only in the same grave in which either parent has been or will be interred.

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There is no charge for the gravesite in a national cemetery or for the opening or closing of the grave. As soon as possible after

interment, the grave is marked with a Government headstone, furnished and erected at Government expense.

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SOME TYPICAL MONTHLY SURVIVOR BENEFITS FOR A WIDOW
AND TWO MINOR CHILDREN

<u>INCOME</u>	<u>FECA</u> ¹	<u>RETIREMENT</u> ²			
		Years of Service			
		10 year	15 year	20 year	25 year
DOLLARS			DOLLARS		
4,000	233.00	128	145	161	178
5,000	291.66	134	155	176	196
6,000	350.00	141	166	191	216
7,000	408.33	147	177	206	235
8,000	466.66	154	188	221	254
9,000	525.00 ³	161	198	236	273
10,000	525.00 ³	168	209	251	293
11,000	525.00 ³	174	220	266	312
12,000	525.00 ³	181	231	281	331

¹ If death was incurred in performance of duty.

² If income listed is employee's high 5-year average.

³ Maximum death benefit provided by FECA.

N. B. — If widow and/or children are entitled to FECA and retirement death benefits, they must elect which benefit to receive. If FECA benefits are elected, payment of lump-sum retirement withholdings is made to beneficiary.

CHART 3

WHAT THE BENEFITS AND CASUALTY DIVISION CAN DO FOR YOU

The programs previously described are administered by the Benefits and Casualty Division, Office of Personnel. In its conduct of these programs, BCD makes every effort to process insurance, medical, and retirement claims expeditiously. In FECA claims, which require extensive documentation and accumulation of evidence, BCD assists in the gathering of information and assures the presentation to the Bureau of Employees' Compensation of a complete and forceful claim. Wherever applicable as in the case of FECA, retirement, and insurance claims, considerable liaison is maintained with the Federal agencies and companies concerned.

CASUALTY PROGRAM

BCD's Casualty Affairs Branch (CAB) also administers a Casualty Program, the extent of which may not be generally known throughout the Organization. Knowing that such a program exists may ease the concern of employees about survivor entitlements and the manner in which their official affairs would be settled.

Upon notification of a death, whether in our country or overseas, CAB assumes control of the case. Working closely with other components, CAB will arrange for proper notification to survivors and will render them as much assistance as possible. If death occurs overseas, CAB will direct the return of the body to the place of interment and will also attend to the other obvious details present, e.g., return of family members in the area, shipment of personal and household effects, etc. At the same time, CAB conducts in all death cases an immediate review of all benefits to which survivors may be entitled, e.g., unpaid compensation, insurance, credit union, and death benefits of the retirement system, FECA, social security, etc.

As soon as proper under the circumstances and if possible by personal visit, CAB representatives get in touch with survivors. These representatives will advise the survivors of all benefits available and will obtain signatures

to required forms, which will have been completed in advance of the visit from information contained in the deceased's Official Personnel Folder. Every attempt is made to minimize the effort of the bereaved survivors. The various forms are then processed and expeditiously settled. By the immediate review of benefits and personal contact with survivors, the survivors (particularly widows and children) are spared the worry about the future financing of their daily needs — if benefits are available — and the ordeal of inquiring about and searching for the means to obtain these benefits.

An understanding of the scope of this service should be comforting to the employee, since he can be certain that his widow, children, and other survivors will be assisted and guided through the emotional period following death. Often, however, this service is complicated by certain difficulties which only the employee can avoid. You should correct these problems now if they apply to you. For example, one of the most important and immediate considerations facing CAB is notification of death to the emergency addressee selected by the employee. Sometimes these designations are useless, since they are of such a nature as to make contact with the addressee impossible, or at least very difficult. Therefore, the following points should be kept in mind with respect to emergency addressees:

1. Select someone capable of receiving immediate notification and making decisions on your behalf, despite the emotional shock present. Selection of an aged or ill parent often defeats the purpose, since the severe emotional shock accompanying the notification could create a new physical or mental crisis. If faced with this problem, CAB will avoid direct notification to the aged or ill parent and will search for someone (such as brother or sister, family doctor, or family church head) who can act as intermediary and soften the initial announcement to the parent. Keep this in mind, and select someone who can absorb the emotional impact of the notification and at the same time act on your behalf.

SB-9

Wills.
Power of attorney.
Proof of military service.

KEEPING YOUR PAPERS SAFE

You should make every effort to retain the original of these documents. It is advisable to have an adequate number of photostatic copies certified by the custodian of such records. The documents are obtained from various sources. Your County Clerk or a similar official can provide certificates of marriage, deeds, mortgages, or court orders. Adoption, birth, and death certificates can be obtained from the Vital Statistics and Welfare Department of the State concerned. All your important documents should be stowed away in a safe place. A safe-deposit box, with the right of entry given to a dependent or other trusted individual, is one of the safest places to keep important papers.

The introduction to this Bulletin announced a new service to personnel concerning the maintenance of a personal file. Do not confuse this with your Official Personnel Folder. This proposed file is one in which can be stored copies of your vital documents of a record nature. The originals of such documents should be maintained in another safe place.

Any employee desiring this new service should contact our Casualty Affairs Branch. If interested employees are overseas or otherwise located away from headquarters, their desire can be transmitted by memorandum.

Personal files containing these vital documents will be maintained separately from an employee's Official Personnel Folder, and on a highly confidential basis, protecting the employee's privacy. Such files will become a matter of official action only upon specific request by the employee or, upon his death, as part of the settlement of his affairs.

3. Be sure that your designation of an emergency addressee is always current and that any change of status is immediately reported directly to CAB. Current designations and addressees are vital to a proper handling of the case.

While the casualty program has been described in connection with deaths of employees, the services of the Casualty Affairs Branch apply as well to cases of serious injury or illness of employees and also to deaths, serious injuries, or illnesses of dependents, accompanying the employee to overseas assignments.

IMPORTANT DOCUMENTS YOU SHOULD HAVE

Here is a brief list of the important documents you should consolidate for use as evidence of your survivor's entitlement to benefits:

- Your birth certificate, and one for each member of your immediate family.
- Naturalization papers (if not born in our country).
- Marriage certificates (including former marriages of you or your wife).
- Divorce decrees of both you and your wife.
- Court orders pertaining to support and custody of your legal dependents (including your or your wife's children by a former marriage, or adopted children).
- Death certificates of children, former wife, or former husband of your wife.
- Deeds and mortgage documents.
- Insurance policies.
- Bank accounts, Savings Bonds, securities.

CIVIL SERVICE ANNUITY CHART

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APPLICABLE TO EMPLOYEES SEPARATED AFTER SEPTEMBER 30, 1956

LENGTH OF SERVICE

YEARS

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

AVERAGE SALARY
DOLLARS

25,000

20,000

15,000

14,000

13,000

12,000

11,000

10,000

9,000

8,000

7,000

6,000

5,500

5,000

4,500

4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

0

ANNUITY
DOLLARS

5,000

4,900

4,800

4,700

4,600

4,500

4,400

4,300

4,200

4,100

4,000

3,900

3,800

3,700

3,600

3,500

3,400

3,300

3,200

3,100

3,000

2,900

2,800

2,700

2,600

2,500

2,400

2,300

2,200

2,100

2,000

1,900

1,800

1,700

1,600

1,500

1,400

1,300

1,200

1,100

1,000

900

800

700

600

500

HOW TO USE THIS CHART

- STEP 1** FIGURE THE YEARS AND MONTHS OF SERVICE YOU WILL HAVE AT THE TIME YOU EXPECT TO RETIRE. PLACE A MARK AT THE APPROPRIATE PLACE ON THE "LENGTH OF SERVICE" SCALE.
- STEP 2** DETERMINE YOUR "HIGH-FIVE" AVERAGE SALARY. PLACE A MARK AT THE APPROPRIATE PLACE ON THE "AVERAGE SALARY" SCALE.
- STEP 3** DRAW A STRAIGHT LINE FROM THE PLACE MARKED ON THE "LENGTH OF SERVICE" SCALE THROUGH THE PLACE MARKED ON THE "AVERAGE SALARY" SCALE AND EXTEND THE STRAIGHT LINE TO THE "ANNUITY" SCALE. THE READING AT THE INTERSECTION ON THE "ANNUITY" SCALE WILL BE THE APPROXIMATE AMOUNT OF YOUR BASIC YEARLY ANNUITY.
- FOR EXAMPLE:** TO DETERMINE THE BASIC YEARLY ANNUITY OF AN EMPLOYEE WITH 23 YEARS AND 6 MONTHS SERVICE AND A "HIGH-FIVE" AVERAGE SALARY OF \$4,400, DRAW A LINE CONNECTING 23 YEARS, 6 MONTHS ON THE "LENGTH OF SERVICE" SCALE AND \$4,400 ON THE "AVERAGE SALARY" SCALE AND EXTEND THE LINE TO THE "ANNUITY" SCALE. THE READING ON THE "ANNUITY" SCALE IS THE APPROXIMATE BASIC YEARLY ANNUITY. IN THE EXAMPLE, THE BASIC ANNUITY IS \$1918.

- NOTE:** A. LENGTH OF SERVICE CANNOT INCLUDE ANY SERVICE FOR WHICH A REFUND HAS BEEN PAID, UNLESS THE REQUIRED REDEPOSIT IS MADE BEFORE RETIREMENT IS EFFECTIVE.
- B. BASIC ANNUITY CANNOT BE GREATER THAN 80% OF AVERAGE SALARY.
- C. BASIC ANNUITY IS SUBJECT TO REDUCTION IF (A) DEDUCTIONS ARE NOT IN THE FUND FOR ANY SERVICE SINCE AUGUST 1, 1920, (B) RETIREMENT-EXCEPT FOR DISABILITY- IS BEFORE AGE 60, (C) A SURVIVOR-TYPE ANNUITY IS ELECTED AT RETIREMENT.
- D. IF RETIREMENT IS UNDER THE DISABILITY PROVISION USE THIS CHART ONLY IF THE RESULTING RATE IS HIGHER THAN THE GUARANTEED MINIMUM.

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UNITED STATES CIVIL SERVICE COMMISSION

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